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May 15, 2003

VIA OVERNIGHT DELIVERY

Sharla Dillon, Dockets and Records Manager
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

Re: Docket No. 02-01040; Notification of Global Crossing Ltd. (Debtor-in-Possession) and GC Acquisition Limited

Dear Ms. Dillon:

Global Crossing Ltd. (Debtor-in-Possession) ("GCL") and GC Acquisition Limited ("New GX" and, together with GCL, the "Applicants") submit this letter to update the Tennessee Regulatory Authority (the "Authority") as to certain changes with respect to the above-referenced transaction. As described below, the terms of the transaction are not materially different from those approved by the Authority, and Applicants submit that the transaction continues to be in the public interest. Therefore, Applicants respectfully request that the Authority take administrative notice of this letter.

On September 17, 2002, Applicants filed an Application for approval to transfer control of GCL's Tennessee-licensed subsidiaries from GCL to New GX (the "Transaction").¹ The Authority considered the Application at its Conference held October 7, 2002 and issued an order in Docket 02-01040 approving the Transaction on December 2, 2002 (the "Order"). A copy of the Order is attached as Exhibit A. In its Order, the Authority concluded that the Transaction was in the public interest of Tennessee and granted approval for the transfer of control of the Tennessee-Licensed Subsidiaries from GCL to New GX. The Authority's public interest findings remain applicable to the Transaction as modified by ST Telemedia's proposed increased investment.

¹ Budget Call Long Distance, Inc.; Global Crossing Local Services, Inc.; Global Crossing North American Networks, Inc.; Global Crossing Telecommunications, Inc.; and Global Crossing Telemanagement, Inc. (collectively, the "Tennessee-Licensed Subsidiaries").

Since the Order was granted, the proposed future ownership of New GX has been modified. On April 30, 2003, consistent with the terms of the August 9, 2002 Purchase Agreement, Hutchison Telecommunications Limited ("Hutchison Telecom"), one of the original proposed investors in New GX, exercised its right to terminate its participation in the Transaction. At the same time, Singapore Technologies Telemedia Pte Ltd ("ST Telemedia"), the other original proposed investor, agreed pursuant to Section 8.3(b) of the Purchase Agreement to assume Hutchison Telecom's rights and ongoing obligations with respect to the Transaction. As a result, ST Telemedia now proposes to increase its investment from \$125 million to \$250 million in New GX and its ownership interest in New GX from 30.75% to 61.5%.²

Except with respect to the increase in ST Telemedia's ownership stake in New GX and the assumption by ST Telemedia of Hutchison Telecom's rights and ongoing obligations under the Purchase Agreement, the proposed changes to the Transaction have not materially altered the Transaction as previously described to the Authority, and the Applicants submit that the Transaction continues to be in the public interest of Tennessee. As set forth in the Application, the Transaction will not involve the transfer of the certificates, assets, or customers of the Tennessee-Licensed Subsidiaries to a new entity. The Tennessee-Licensed Subsidiaries will continue to hold the certificates issued to them by the Authority, and to operate in Tennessee pursuant to those certificates in accordance with Tennessee statutes and regulations. Accordingly, the Transaction will continue to be transparent to the Tennessee-Licensed Subsidiaries' customers.

Based upon Applicants' review of Tennessee statutes and the Authority's rules and precedent, Applicants understand that no additional action is required by Applicants or the Authority for Applicants to complete the Transaction. Therefore, Applicants respectfully request that the Authority take administrative notice of this letter. If the Authority believes that additional action is required, Applicants request that the Authority contact their undersigned counsel as soon as possible.

² The change in the Transaction would not affect the proposed ownership interest of the Creditors in New GX, which would remain at 38.5%, or the contemplated issuance of stock options to New GX's future management, which if exercised would dilute the interests of ST Telemedia and the Creditors.

Sharla Dillon, Dockets and Records Manager

May 15, 2003

Page 3

An original and thirteen (13) copies of this letter are enclosed for filing. Please date-stamp the enclosed extra copy and return it in the attached self-addressed, stamped envelope. Please contact the undersigned as soon as possible if the Authority has any questions regarding this filing or the Transaction.

Respectfully submitted,



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Counsel for Global Crossing Ltd. (Debtor-in-Possession) and GC Acquisition Limited

cc: Paul Kouroupas
Michael J. Shortley III

EXHIBIT A

ORDER DATED DECEMBER 2, 2002

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

December 2, 2002

IN RE:

PETITION OF GLOBAL CROSSING LTD. (DEBTOR-IN-
POSSESSION) AND GC ACQUISITION LIMITED FOR
APPROVAL OF THE TRANSFER OF CONTROL OF
GLOBAL CROSSING LTD. (DEBTOR-IN-POSSESSION)'S
TENNESSEE OPERATING SUBSIDIARIES TO GC
ACQUISITION LIMITED

DOCKET NO.
02-01040

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate, and Director Pat Miller of the Tennessee Regulatory Authority (the "Authority" or "TRA"), the voting panel assigned to this docket, at the regularly scheduled Authority Conference held on October 7, 2002 for consideration of the *Petition* (the "*Petition*") filed by Global Crossing, Ltd. (Debtor-in-Possession) ("GCL") and GC Acquisition Limited ("New GX") (collectively, the "Petitioners"). The *Petition* was considered pursuant to the provisions of Tenn. Code Ann. § 65-4-113, which requires Authority approval of a transfer of authority to provide utility services.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113(a) provides as follows:

(a) No public utility, as defined in § 65-4-1101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority,

to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113(b) provides the standards by which the Authority shall consider an application for transfer of authority, in pertinent part, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

The Petition

In the *Petition*, which was filed on September 19,, 2002, the Petitioners request Authority approval of a transferr of control of GCL's Tennessee operating subsidiaries from GCL to New GX. The *Petition* states that this request is in furtherance of a proposed transaction intended to facilitate the reorganization of GCL and its Tennessee operating subsidiaries under Chapter 11 of the United States Bankruptcy Code and Bermuda insolvency law.

The *Petition* states that GCL's assets and operations, including its ownership interests in the Tennessee operating subsidiaries, will be transferred indirectly to New GX. Hutchison Telecommunications Limited ("Hutchison Telecom") and Singapore Technologies Telemedia Pte Ltd ("ST Telemedia") each will invest \$125 million in New GX; in exchange, each will obtain 30.75% of New GX's equity and voting power. Creditors of GCL and its debtor subsidiaries will obtain 38.5% of New GX's equity and voting power. New GX also intends to issue \$200 million in senior secured notes and \$300 million in cash to those creditors. The notes are to be secured by the assets of various GCL subsidiaries, including its Tennessee operating subsidiaries. Upon consummation of the proposed transaction, GCL will relinquish all of its equity and voting power in New GX. New GX will become the new ultimate parent of GCL's Tennessee operating subsidiaries.

According to the *Petition*, the terms of the proposed transaction have been agreed upon by GCL, Hutchison Telecom, and ST Telemedia. Further, the United States Bankruptcy Court for the Southern District of New York and the Supreme Court of Bermuda have authorized GCL to enter into the proposed transaction.

The *Petition* states that GCL is a global telecommunications company organized under the laws of Bermuda. In the United States, GCL's operating subsidiaries, including its Tennessee operating subsidiaries, provide intrastate, interstate, and international services. On January 28, 2002, GCL and certain of its subsidiaries, including the Tennessee operating subsidiaries, filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code.

According to the *Petition*, New GX is a newly-formed company organized under the laws of Bermuda for the purpose of carrying out the proposed transaction. Currently, GCL is the sole shareholder of New GX. GCL's Tennessee operating subsidiaries are Budget Call Long Distance, Inc. (Debtor-in-Possession) ("Budget Call"), Global Crossing Local Services, Inc. (Debtor-in-Possession) ("GCLS"), Global Crossing North American Networks, Inc. (Debtor-in-Possession) ("GCNAIN"), Global Crossing Telecommunications, Inc. (Debtor-in-Possession) ("GCTP"), and Global Crossing Telemanagement, Inc. (Debtor-in-Possession) ("GC Telemanagement").

Budget Call is a Delaware corporation with its principal office in Pittsford, New York. An indirect wholly-owned subsidiary of GCL, Budget Call was authorized to provide resold interexchange services in Tennessee by Order dated August 2, 1995 in Tennessee Public Service Commission ("TPSC") Case No. 95-02731.

GCLS, formerly known as Frontier Local Services, Inc., is a Michigan corporation with its principal office in Pittsford, New York. An indirect wholly-owned subsidiary of GCL, GCLS has authority to provide telecommunications services in twenty-six (26) states, including

Tennessee. GCLS was authorized to provide facilities-based competitive local exchange services in Tennessee by Order dated November 18, 1999 in TRA Docket No. 99-00120.

GCNAN is a Delaware corporation with its principal office in Pittsford, New York. An indirect wholly-owned subsidiary of GCL, GCNAN has authority to provide telecommunications services in all fifty (50) states, including Tennessee. GCNAN was authorized to provide facilities-based intrastate interexchange services in Tennessee by Order dated August 23, 1995 in TPSC Case No. 95-022845.

GCTI is a Wisconsin corporation with its principal office in Pittsford, New York. An indirect wholly-owned subsidiary of GCL, GCTI has authority to provide telecommunications services in all fifty (50) states, including Tennessee. GCTI was authorized to provide resold intrastate interexchange services in Tennessee by Order dated September 25, 1985 in TPSC Docket No. U-84-73245.

GC Telemanagement is a Delaware corporation with its principal office in Green Bay, Wisconsin. An indirect wholly-owned subsidiary of GCL, GC Telemanagement has authority to provide telecommunications services in thirty-six (36) states and the District of Columbia. GC Telemanagement was authorized to provide resold competitive local exchange services in Tennessee by Order dated April 21, 1998 in TRA Docket No. 97-07531.

According to the *Petition*, Hutchison Telecom is a Hong Kong company that holds worldwide telecommunications interests through a variety of operating subsidiaries. Those interests include mobile telephone and paging operators in various countries in Asia, Africa, Europe, and South America, as well as a fixed line and international direct dialing operator in Hong Kong. Hutchison Telecom is indirectly wholly owned by Hutchison Whampoa Limited, a diversified Hong Kong holding company. ST Telemedia is a Singapore telecommunications and information technologies company. Through its subsidiaries, ST Telemedia provides fixed and

mobile telecommunications, data, and Internet services, telephone equipment distribution, managed hosting, teleport, broadband cable and video, and e-business software development services in Singapore.

Public Interest Considerations

According to the *Petition*, the proposed transaction is in the public interest because it will enhance competition in Tennessee by strengthening the financial and competitive position of GCL's Tennessee operating subsidiaries by enabling them to emerge from their current status in bankruptcy as stronger and more viable competitors. Moreover, the proposed transaction is not expected to affect the day-to-day operations of GCL's Tennessee operating subsidiaries and will be transparent to their customers in Tennessee. Finally, the proposed transaction will not negatively affect competition in the Tennessee telecommunications market.

Findings

The Authority considered this matter at the October 7, 2002 Authority Conference. Based upon careful consideration of the *Petition* and of the entire record of this matter, the Authority finds and concludes as follows:

1. The Authority has jurisdiction over the subject matter of this *Petition* pursuant to Tenn. Code Ann. § 655-4-113;
2. The Tennessee operating subsidiaries of Global Crossing Ltd. (Debtor-in-Possession), namely Budget Call Long Distance, Inc. (Debtor-in-Possession), Global Crossing Local Services, Inc. (Debtor-in-Possession), Global Crossing North American Networks, Inc. (Debtor-in-Possession), Global Crossing Telecommunications, Inc. (Debtor-in-Possession), and Global Crossing Telemanagement, Inc. (Debtor-in-Possession), have been granted authority to provide telecommunications services in Tennessee;

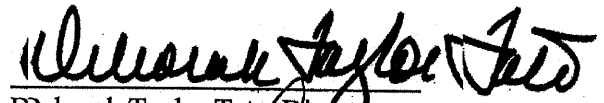
3. Global Crossing Ltd.'s assets and operations, including its ownership in its Tennessee operating subsidiaries, will be transferred indirectly to GC Acquisition Limited, resulting in a transfer of the authority to provide utility services that has been granted Global Crossing Ltd.'s Tennessee operating subsidiaries; and

4. The transfer of authority will benefit the consuming public.

IT IS THEREFORE ORDERED THAT:

The *Petition* of Global Crossing Ltd. and GC Acquisition Limited for approval of the transfer of authority described herein is approved.


Sara Kyle, Chairman


Deborah Taylor Tate, Director


Pat Miller, Director